PART A Claim objection

Response to Specification Objection #2 - Cross reference to related application: (previously submitted) This application is continuation in part (CIP) to previous application: Risk Management for Manufacturing , 09/640,272 dated 8/17/2000, Risk Management for Manufacturing

Response to Drawing Objection # 3- The following addendums are made in page 8 of specification..

Fig. 100 – (previously submitted) Fiduciary Account (101) refers to permanent user account residing in the partner, bank. Escrow account (102) is an electronic virtual holding account that serves as a book-keeping account for computer generated transactions.

Fig. 200- (previously submitted) System (204) refers to a Node of operation in a given location. Node is a computerized trading facility located in a country where it is licensed to trade physical goods. Interface is a computer program that provides communication protocol between two parties computers. User interface (202) is simply the worldwide web browser. Banks interface require additional layer(s) of communication such as Automatic Clearing House(ACH).

Fig. 300- (previously submitted) Order (304) is a generated purchase or sale instruction based selected from menu on computer screen. Order match clearing (305) refers to identical buy and sell created by two different users. Performance bond (307) is an insurance or guarantee instrument for honoring an order if it is matched or filled. Clearing refers to book keeping transaction that ensures buyer and seller both have deposited the exact value of contract. In case of spot trade the warehouse receipt replaces cash.

Fig. 350- (previously submitted) Warehouse refers to a physical warehouse which is bonded (352), that is, guaranteeing the goods availability at all times based on the bill of lading provided to buyer. Physical delivery means electronic warehouse receipt as bill of lading.

Fig. 400- (previously submitted) Cash settlement refers to transaction settlement where no physical delivery is made yet, that is, the contract is not closed or completed, known as open contract.

Fig. 450- (previously submitted) The clearing process between two users (451 and 451') from any two nodes whose transaction is financially cleared (457)through their respective local banks 452 and 452' facilitated 455 by an independent financial institution, who in turn is linked to worldwide financial system.

Fig. 500- (previously submitted) Inter-networking refers to a secured network that is created by a unified interface among members of a group.

Fig. 700- (previously submitted) Open clearing allows the Partner banks(707's) of all Nodes employ a common cash management as electronic fund transfer (EFT). Payment, as a subsystem of cash management, for example ACH –available in select part of world- or Society of Worldwide Interbank Financial Transaction (SWIFT) format MT103.

Fig. 800- (previously submitted) Fiduciary account explained in Fig. 100 assumes that all financial transactions are performed in local currency. Fund maintenance refers to the case where some transactions may require foreign currency translation; if so the Fiduciary account (802) will consist of two sub accounts, one in local currency (804) another in US Dollar.

Fig. 900- (previously submitted) Inter nodal payment addresses foreign payments that may involve fixed (F) rate currencies, including dollar pegged, for example Chinese Yuan, or variable(V) rate currencies, for example euro. Fig 900 depicts the process flow, between two Nodes, for each of the scenarios under any system of payments. For fixed currency, the process flow applies Federal Reserve ACH system (906) at fixed rate conversion (907); whereas for, say, euro the process flow employs universal EFT (905) after converting (907) at offered rate at the time of clearing.

Fig. 1100- (previously submitted) All Nodes operate during normal daytime hours at local time based on US Easter Standard Time(EST)

Fig. 1200- (previously submitted) Time elapsed for clearing based on different time zones

Fig. 1300- (previously submitted) SWIFT protocols specify various codes for monetary transaction such as fund transfer

Fig. 1400- (previously submitted) SWIFT protocols specify various codes for messaging such as statement of account